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Follow-up to the International Year of Older Persons: Second World Assembly on Ageing

Report of the Secretary-General

Summary

The present report is submitted in response to General Assembly resolution 71/164 on follow-up to the Second World Assembly on Ageing. It focuses on how older persons should be better taken into account in the implementation of the Sustainable Development Goals in the context of the 2017 theme of the high-level political forum on sustainable development of eradicating poverty and promoting prosperity in a changing world. The report provides an update on new initiatives to advance cooperation on ageing and the implementation of the Sustainable Development Goals. Conclusions and recommendations are also presented.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 71/164 on follow-up to the Second World Assembly on Ageing. It follows the previous report of the Secretary-General on the same subject (A/70/185), which gave an overview and analysis of how ageing and older persons fit within the newly adopted 2030 Agenda for Sustainable Development and its Sustainable Development Goals in the context of the further implementation of the Madrid International Plan of Action on Ageing, adopted in 2002. Since that time, the United Nations focal point on ageing, the Programme on Ageing of the Department of Economic and Social Affairs, has been exploring how the implementation of the Madrid Plan of Action and other relevant inputs, such as those arising from discussions within the General Assembly mandated Open-ended Working Group on Ageing, can contribute to the implementation of the 2030 Agenda and how older persons should be better accounted for in the implementation of its Goals.

2. The topic of the present report is addressed within the context of the theme of the 2017 high-level political forum of eradicating poverty and promoting prosperity in a changing world. The report also looks towards the 2018 theme of transformation towards sustainable and resilient societies and reviews at the global, regional and national levels to ensure that no one is left behind.

3. The report specifically focuses on the challenges to, and the interlinkages between, ageing and several key issues that underpin the Sustainable Development Goals, in particular the economic security and well-being of older persons, including income poverty, but also extending beyond that to encompass access to work and financial services, good health and long-term care. The cross-cutting issues of gender and age discrimination, which are key impediments to attaining economic security, are also discussed. The report further provides an update on United Nations system developments that are contributing to the age-inclusive implementation of the Goals and evidence-based policymaking in general, such as the latest efforts to improve the development and collection of age-disaggregated data. Finally, the report makes recommendations to advance the consideration of ageing and older persons in the further implementation of the Goals through age-inclusive approaches by all stakeholders, including the further implementation of the Madrid Plan of Action.

II. Income poverty in old age

4. Ending poverty in all its forms everywhere is central to the 2030 Agenda for Sustainable Development. The report on *Global Trends: Challenges and Opportunities in the Implementation of the Sustainable Development Goals 2017*¹ highlighted poverty as a critical area in which positive developments would radically enhance the prospects for achievement of the entire Agenda. The report also highlighted ageing as one of the megatrends that are likely to shape the prospects for achieving all of the Goals. As with other age groups, many older persons live in poverty and are denied a life of dignity. However, people living in areas where poverty is endemic, and having endured a life of poverty and deprivation, are often at greater risk of slipping deeper into poverty in their old age. Getting old presents a significant additional risk of vulnerability to economic insecurity, as well as poverty, with limited options for older persons to escape it.

¹ United Nations Development Programme (UNDP) and United Nations Research Institute for Social Development, *Global Trends: Challenges and Opportunities in the Implementation of the Sustainable Development Goals* (2017).

5. In many countries at all levels of development, older persons are at risk of falling into poverty, with a considerable number of low-income pensioners clustered just above the poverty threshold.² In fact, poverty in old age can be responsive to even slight changes in the poverty line. When the threshold is raised from \$1.90 per capita per day to the “moderately poor” threshold of \$3.10, the number of persons living in poverty globally more than doubles, indicating a high degree of vulnerability.³ Many older persons live in the gap between poverty and economic security, with incomes too high to qualify for public benefits because of eligibility requirements, yet too low to afford the daily expenses of living.⁴ Furthermore, the risk of poverty often increases with age. On average, the poverty level for persons over 75 years of age across Organization for Economic Cooperation and Development (OECD) countries is 14.7 per cent, which is 3.5 per cent higher than the poverty level among 66 to 75 year-olds.⁵ The “oldest-old”, 80 years of age or over, are less able to work than younger older persons; are more likely to have spent their savings; and are most in need of age-appropriate health and long-term personal care services. Their numbers are growing fast, particularly in developing countries.⁶

6. Traditionally, families are perceived as a primary source of financial and personal support for older persons. While in some societies this is still true, the assumption that the informal support delivered by families will be adequate for the growing numbers of older persons throughout their old age is becoming less reliable and realistic. Increasing economic hardship leaves younger adults unable to provide adequate support for older persons. In fact, in some situations, the expectation of intergenerational solidarity has shifted, with older persons providing support to their families. In sub-Saharan Africa, older persons carry the burden of additional care responsibilities for orphaned grandchildren amid the increased mortality of working-age adults from the HIV and AIDS epidemic. In Lesotho, Malawi, Rwanda and Uganda, more than 20 per cent of adults over 60 years of age live in skipped-generation households.⁷ In some countries, there is growing evidence that points to an increased proportion of older persons living alone because of the tendency for families to be smaller, compounded by out-migration by younger family members. In China, for example, the number of older persons living alone is increasing rapidly in rural areas, because many adult children migrate to cities or distant places for work, often leaving older persons vulnerable to poverty without any or adequate family support and relying on farming for subsistence.⁸ This is evidenced by a 31 per cent increase in poverty rates for rural households of older persons living alone, when measured by pre-transfer income, and by a 15 per cent increase when measured by expenditure per capita, compared with older persons living with

² Organization for Economic Cooperation and Development (OECD), *In It Together: Why Less Inequality Benefits All* (Paris, 2015).

³ UNDP and United Nations Research Institute for Social Development, *Global Trends*.

⁴ Jan E. Mutchler, Yang Li and Ping Xu, “Living Below the Line: Economic Insecurity and Older Americans Insecurity in the States 2016”, *Center for Social and Demographic Research on Aging Publications*, Paper 13 (2016).

⁵ OECD, *Pensions at a Glance 2015: OECD and G20 indicators* (Paris, 2015).

⁶ United Nations, Department of Economic and Social Affairs, Population Division, *World Population Ageing 2015* (New York, 2015).

⁷ Brittany McKinnon, Sam Harper and Spencer Moore, “The relationship of living arrangements and depressive symptoms among older adults in sub-Saharan Africa”, *BMC Public Health*, vol. 13 (2013).

⁸ Sor Tho Ng, Nai Peng Tey and M. Niaz Asadullah, “What matters for life satisfaction among the oldest-old? Evidence from China”, *PLoS One*, vol. 12, No. 2 (2017).

children.⁹ In India, however, over three quarters of the older population lives in three-generation households,¹⁰ which are well-suited to sharing resources and providing care for older persons, although that is not always the case.

Levels of poverty among older age groups

7. In addition to the gaps in availability of poverty data, which are largely due to insufficient funding and low capacity, household surveys collect information only from a single individual within a household and therefore may not accurately reflect the resources and needs of older household members. Given resource constraints in many countries, a pragmatic approach could be the extension of the existing household surveys. For example, Thailand provides ageing-related modules in its general household survey every four to five years.¹¹ However, a longer-term priority for developing and standardizing household survey tools to collect the missing information directly from older persons themselves is needed.¹² The lack of reliable and comparable data required to provide benchmarks and track progress towards eradicating poverty by 2030 for all social groups, as envisioned under the Sustainable Development Goals, is an obvious impediment to monitoring poverty.

8. Accordingly, the current picture of poverty in old age around the world is not clear. At the country level, it is difficult to make any inference about older persons as a group using sample-based household survey data. Comparing older persons in poverty across countries and regions becomes even more challenging when considering the differences in cost of living and the timing of when surveys are conducted. A person who is not considered to be living in poverty in one country may be considered as living below a minimum standard of living and counted among the poor in another country.

9. Currently, evidence of poverty among older persons is limited to selected country- or regional-level studies. According to recent estimates, the economic well-being of older persons differs quite markedly throughout the world, with relatively low rates of 2 per cent in the Netherlands in 2013, 3 per cent in Czechia in 2012¹³ and 11 per cent in Thailand in 2010.¹⁴ Other estimates reflect higher poverty rates of 34 per cent in Australia in 2012 and 50 per cent in the Republic of Korea in 2009.¹⁵ In Zambia in 2005 it was estimated that up to 80 per cent of older persons lived under the national poverty line.¹⁶ In addition to the limitations mentioned above, relatively lower poverty rates among older persons could also be attributed to age-related biases. For instance, older persons in deeper poverty tend to die earlier or, if less healthy, may reside in care centres and therefore not be captured in household surveys. Variations in poverty rates are largely due to differences in the coverage and adequacy of old-age social protection systems. For example, the poverty rate in

⁹ Albert Park and others, "Relying on Whom? Poverty and Consumption Financing of China's Elderly", *National Research Council (US) Panel on Policy Research and Data Needs to Meet the Challenge of Aging in Asia: Aging in Asia — Findings From New and Emerging Data Initiatives*, J.P. Smith and M. Majmundar, eds. (National Academies Press, Washington D.C., 2012).

¹⁰ Sonalde Desai and others, *Human Development in India: Challenges for a Society in Transition* (Oxford University Press, New Delhi, 2010).

¹¹ Ibid.

¹² See the concept note for a side event at the forty-eighth session of the Statistics Commission on "Exploring the case for a city group on ageing and age-disaggregated data". Available from <https://unstats.un.org/unsd/statcom/48th-session/side-events/20170310-1M-city-group-on-age-and-ageing-statistics>.

¹³ OECD, *Pensions at a Glance 2015*.

¹⁴ World Bank, "Reducing elderly poverty in Thailand: the role of Thailand's pension and social assistance programs", (Bangkok, 2012).

¹⁵ OECD, *Pensions at a Glance 2015*.

¹⁶ United Nations, *World Population Ageing 2015*.

the Republic of Korea may reflect that the country's pension system has not yet fully matured, whereas in Australia, the higher poverty rate may be because many pensioners have cashed in their pensions as lump sums, which are not counted as current income, rather than receive them in a series of periodic income payments.¹⁷ In some countries, the challenge will not be limited to providing the resources and services needed to raise older persons above the poverty line, but to ensuring that they remain out of poverty, especially in times of crisis.¹⁸

III. Key determinants of poverty and vulnerability in old age

A. Income

1. Pension coverage

10. The provision of pensions in old age is an effective and increasingly prevalent means of reducing poverty and income insecurity. Regular pension payments constitute or supplement older persons' income to cover basic needs such as food, housing and medical expenses. In some cases, they can also enable investment in livelihoods and help to build resilience against future shocks, such as an injury or a natural disaster. Social security is a right enshrined in international human rights law,¹⁹ yet nearly half of all persons above statutory pensionable age do not receive an old-age pension and, often, those with a pension receive too little in benefits to rise or stay above the poverty line. Those who lack pension access, and some who receive pensions that provide inadequate benefits, rely for income and other support on employment, family assistance and/or capital. Many are either in or are vulnerable to poverty, or are unable to make ends meet or at least to do so on a regular basis.

11. The importance of social protection to poverty reduction and well-being is increasingly recognized and reflected in laws and policies. In particular, under Sustainable Development Goal 1 on ending poverty in all its forms everywhere, Member States committed in General Assembly resolution 70/1 to implementing nationally appropriate social protection systems and measures for all and achieving substantial coverage of the poor and the vulnerable by 2030. A preliminary assessment of the third review and appraisal of the Madrid International Plan of Action on Ageing again underscored that, across regions, the issue of social protection for older persons continues to be a priority. Indeed, 166 of the 178 countries for which information is available provide old-age pensions through at least one type of social protection scheme, with many utilizing a variety of schemes (in the remaining countries, only lump-sum benefits are provided).²⁰ Among schemes that have achieved universal social protection for a vulnerable group, those providing pensions to older persons are the most common.²¹

12. The provision of pensions supports older persons themselves as well as their families and communities. Pensions constitute a predictable, long-term income

¹⁷ OECD, *Society at a Glance 2016: OECD Social Indicators* (Paris, 2016).

¹⁸ UNDP and United Nations Capital Development Fund, *Getting to the Last Mile in Least Developed Countries* (New York, 2016).

¹⁹ See article 22 of the Universal Declaration of Human Rights and article 9 of the International Covenant on Economic, Social and Cultural Rights.

²⁰ International Labour Organization (ILO), *World Social Protection Report 2014/15: Building Economic Recovery, Inclusive Development and Social Justice* (Geneva, 2014).

²¹ World Bank, "World Bank, ILO announce new push for universal social protection", Press Release (21 September 2016). Available from <http://www.worldbank.org/en/news/press-release/2016/09/21/world-bank-ilo-announce-new-push-for-universal-social-protection>.

source that, at a minimum, reduces the degree of poverty experienced by an individual or their vulnerability to it and, in the best cases, provides for individuals' economic security and reduces intergenerational poverty.²² Regular cash transfers tend to improve consumption and even the use of health facilities among beneficiaries and their households, reducing monetary poverty and supporting good health and well-being.²³ Pension payments are sometimes used by older persons either directly or as collateral for credit to invest in subsistence or entrepreneurial activities²⁴ or in family members' education.²⁵ Investment by older persons in their or their families' businesses and skills builds productive capacity, which can reap dividends in the long term through improved livelihoods and resilience. Such consumption and investment can also fuel the local economy, which supports the livelihoods and well-being of others in the community.²⁶

13. At the global level, just 51.5 per cent of persons over pensionable age receive a pension.²⁷ Pension coverage varies significantly by region. In the regions of North America, Central and Eastern Europe and Western Europe, more than 90 per cent of older persons are covered. In Latin America and the Caribbean and in Asia and the Pacific, close to half of all older persons have pension coverage: 56.1 per cent and 47 per cent, respectively. Around one third, or 36.7 per cent, of older persons have coverage in North Africa and in the Middle East the coverage rate is 29.5 per cent. Sub-Saharan Africa has the lowest coverage, with just 16.9 per cent of older persons receiving a pension. While pension coverage largely corresponds to countries' level of income, informality of employment makes it challenging to collect contributions or tax payments for the financing of public pensions, affecting coverage rates. Many workers in the informal sector are therefore excluded from contributory pension schemes.

14. In the majority of OECD countries, public transfers comprise the majority of older persons' incomes.²⁸ Public pensions in these countries are most influential at the bottom level of income distribution, accounting for, on average, more than 80 per cent of the income of persons in the lowest four deciles.²⁹ Poverty rates are in fact lowest where coverage is widest and where public pensions account for the greatest share of older persons' incomes.

15. Some older persons are more vulnerable than others to income insecurity. Access to pensions and the security that they provide can be affected not only by the country in which a person lives, but by gender, area of residence and the intersection of these and other factors such as race or ethnicity and disability status.

²² HelpAge International, "Why social pensions?". Available from <http://www.helpage.org/meecc/about-us/why-social-pensions/>.

²³ Francesca Bastagli and others, *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*, (Overseas Development Institute, London, July 2016).

²⁴ Helmut Schwarzer, and Ana Carolina Querino, "Non-contributory pensions in Brazil: the impact on poverty reduction", ESS Paper, No. 11 (International Labour Organization Social Security Policy and Development Branch, Geneva, 2002). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---sec_soc/documents/publication/wcms_079061.pdf.

²⁵ HelpAge International, "Why social pensions?". Available from <http://www.helpage.org/meecc/about-us/why-social-pensions/>.

²⁶ Schwarzer Helmut Schwarzer and Ana Carolina Querino, "Non-contributory pensions in Brazil: the impact on poverty reduction", ESS Paper, No. 11 (Geneva, International Labour Organization Social Security Policy and Development Branch, Geneva, 2002). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---sec_soc/documents/publication/wcms_079061.pdf.

²⁷ ILO, *World Social Protection Report 2014/15*.

²⁸ OECD, *Pensions at a Glance 2015*.

²⁹ ILO, *World Social Protection Report 2014/15*.

Discrimination in access to education, the labour market and other opportunities accumulate over time and increase vulnerability. On average, older women fare notably worse than older men both in access to contributory pensions and in the level of benefits that these pensions provide. Women participate less than men in paid employment, spend more time away from paid employment owing to childbirth, often care for children or other family members who need it and tend to earn less than men while in employment. Over time, they contribute less to pension schemes and in turn receive lower payments in old age, despite having a longer life expectancy than men. For instance, in the European Union, where women's labour force participation is relatively high, the value of women's pensions is just 40 per cent that of men's pensions.³⁰ Disparities are also evident between rural and urban areas.³¹ To a large extent, rural economies, particularly in agriculture, are characterized by informal jobs and usually fall outside the scope of contributory pension schemes. Women and older persons are disproportionately represented in many rural areas across countries, as men and young people are more likely to migrate to urban centres seeking higher-wage jobs.

16. Of 178 countries analysed by the International Labour Organization, 78 have available contributory schemes only, and another 78 have available a combination of contributory and non-contributory schemes.³² Non-contributory schemes are either means-tested (requiring proof of need and targeting older persons whose income and/or assets are below a set threshold) or universal, with the latter being the only type of pension available in nine countries. As contributory pension programmes typically cover only workers in the formal sector and, in some cases, some groups of self-employed workers, government-financed non-contributory, or "social", pensions can achieve both broader and more equitable coverage. Given that they are not tied to work, social pensions do not reflect the various forms of discrimination that occur in employment, such as the occupational segregation that disadvantages women and certain racial or ethnic groups and the average lower wages that they and other vulnerable groups tend to receive. Accordingly, social pensions serve to reduce and prevent poverty and income insecurity as well as inequalities.

17. In recent years, many countries have moved to expand contributory pension programmes and, especially in Latin America,³³ to put in place social pension schemes.³⁴ Greater numbers of informal sector workers in particular are gaining coverage and Brazil, for instance, is among a number of countries that are taking measures to include agricultural and rural workers in contributory pension schemes. Moreover, following similar measures by some other countries and areas of sub-Saharan Africa, the Government of Kenya announced that it will provide a universal pension to all older persons over 70 years of age beginning in 2018.³⁵ That said, however, many countries have been undertaking pension reforms in the context of population ageing with the aim of ensuring the sustainability of pension systems. Additionally, numerous developed and developing countries continue to cut expenditures or to feel the impacts of austerity measures taken since 2010 and the

³⁰ United Nations Entity for Gender Equality and the Empowerment of Women, "Protecting women's income security in old age: toward gender-responsive pension systems", Policy Brief, No. 3 (UN-Women, New York, 2015). Available from www.unwomen.org/en/digital-library/publications/2015/12/women-income-security-in-old-age.

³¹ ILO, *World Social Protection Report 2014/15*.

³² Ibid.

³³ OECD, Inter-American Development Bank and World Bank, *Pensions at a Glance: Latin America and the Caribbean* (Paris, 2014).

³⁴ ILO, *World Social Protection Report 2014/15*.

³⁵ HelpAge International, "Kenya to launch universal pension scheme in January 2018", 31 March 2017. Available from www.helpage.org/newsroom/latest-news/kenya-to-launch-universal-pension-scheme-in-january-2018/.

second phase of the global economic crisis.³⁶ Pension reforms, ranging from stopping indexation to wages and/or prices to increasing the pensionable age, were the fourth most common adjustment between 2010 and 2013. Many such reforms risk worsening old-age poverty and insecurity as they fail to guarantee minimum benefits and reduce the purchasing power of pensions.

18. In the absence of pension access, older persons cannot exercise the right to retirement and must work until they are no longer able to do so.

2. Access to decent work and employment

19. Decent work has long been recognized not merely as a source of regular income, but as an individual's livelihood and means of social integration. In bringing decent work to the forefront of the 2030 Agenda, Goal 8 (to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), provides a renewed incentive to address some of the root causes of poverty and inequality. A fundamental precondition for the reduction of poverty in old age is to adapt labour markets to accommodate and better meet the needs of the older population in all its diversity. This is particularly important given that, in 2014, the share of the world's workforce comprising older workers aged 55 or above expanded to an unprecedented 14.3 per cent. By 2030, the number of older workers is likely to increase to almost 750 million, which translates into more than 18 per cent of the total labour force.^{37,38}

Labour force participation rates by sex and age group in selected regions, 2016, and percentage change since 2012

Region	Age 55-64		Age 65 and over	
	2016	Change since 2012 (percentage)	2016	Change since 2012 (percentage)
<i>Male</i>				
Africa	80	1	53	0
Asia and the Pacific	74	-4	36	-3
Central and South-Eastern Europe (non-European Union) and Commonwealth of Independent States	62	4	13	-2
Developed economies and Europe	67	0	13	-3
Latin America and the Caribbean	77	-1	33	-5
Middle East	65	4	27	0
<i>Female</i>				
Africa	56	-1	34	1
Asia and the Pacific	47	8	20	6

³⁶ ILO, *World Social Protection Report 2014/15*.

³⁷ ILO, *World Employment and Social Outlook: Trends 2015* (Geneva, 2015).

³⁸ In 2017, the labour force worldwide comprises 3.5 billion people, projected to increase to 4 billion by 2030, and the average age of the global labour force is 39.2 years, up from 35.5 years in 1990, and is projected to rise to 40.5 years by 2030.

Region	Age 55-64		Age 65 and over	
	2016	Change since 2012 (percentage)	2016	Change since 2012 (percentage)
Central and South-Eastern Europe (non-European Union) and Commonwealth of Independent States	38	3	7	-1
Developed economies and Europe	52	1	7	-1
Latin America and the Caribbean	48	4	14	-2
Middle East	4	-5	11	8

Source: Calculated from International Labour Organization, *Key Indicators of the Labour Market*, 9th edition, available from www.ilo.org/kilm.

20. In 2016 (see table), Africa had by far the highest proportion of economically active workers among the age group 65 years and over (53 per cent for men and 34 per cent for women), while Europe and other developed economies had the lowest (13 per cent for men and 7 per cent for women). Between the two extremes, labour force participation rates among older persons were high in Asia and the Pacific followed by Latin America and the Caribbean then the Middle East. Relatively higher labour force participation rates among older workers aged 65 years and over in developing countries often reflect high levels of poverty and absent or inadequate social protection and, therefore, the need for older persons to continue to participate in income-generating activities to earn or supplement the income necessary to meet their basic needs. Gender gaps are found to persist in the labour market, where lower participation rates for older women (65 and over) followed a similar pattern across all regions. However, the discrepancy between developed and developing countries was much smaller for women than for men, with African and European women aged between 55 and 64 years of age showing similar levels of economic participation at 56 and 52 per cent, respectively.

21. Labour market information and analysis of workers aged 55 to 64 years is essential for addressing attitudes towards retirement and the availability of social protection. Recent figures (see table) show that the steady upward trends in the labour force participation of both male and female workers between 55 and 64 years of age in Europe from 2000 to 2012 (6 and 12 percentage points respectively) (see A/68/167) have reached a plateau, with no change in the employment rate of older men between 55 and 64 years of age, and only a 1 percentage point increase for older women within that age group from 2012 to 2016. Although the situation is not clear, indications are that this could be attributed in part to a range of barriers to achieving employment security that are related to age, foremost among which is discrimination based on stereotypes about the cognitive and physical limitations of older workers. In recent years, many developed countries have taken measures to facilitate and support the participation of older persons in the labour force. In 2015, a set of policy guidelines for encouraging and supporting employment at an older age were prepared and adopted as the OECD Recommendation of the Council on Ageing and Employment Policies. The recommendations called for enhancing incentives to continue working at an older age by rewarding later retirement and encouraging more flexibility in work-retirement transitions that permit a combination of pensions and work income. The recommendations further addressed the measures needed to combat age-based discrimination in employment, including

legislation and public-awareness campaigns to eliminate discrimination in the recruitment, promotion and training processes and in employment retention.³⁹

22. In developing countries, where half to three quarters of non-agricultural employment is in the informal economy,⁴⁰ employment challenges and priorities continue to give little consideration to the situation of older persons. Large numbers of older workers, especially illiterate and unskilled workers, engage in informal, rural occupations and sometimes in precarious and poorly paid work with limited access to pensions and affordable health-care coverage. Strengthening policies to extend the working lives of existing formal sector workers, where appropriate, and to provide social protection to all older persons in both the formal and informal sectors in these countries is key to ensuring that people do not slip below the poverty line in old age. China's expansion of coverage since 2010 for informal sector workers is particularly noteworthy, as it is the single biggest increase in the number of contributors to a government pension system in history. The scheme is also unique in its design, as it links contributions both to eligibility for a basic pension at age 60 and to immediate benefits for the elderly parents of contributors.⁴¹

3. Access to and use of financial services

23. Access to savings accounts, loans, insurance and other financial services can help people increase and smooth their consumption, save and transfer money, start or expand a business, plan for and manage risks and shocks, invest and otherwise both build and manage their income and wealth. For persons living in poverty, access to savings accounts alone can increase savings, consumption, productivity, empowerment among women and investment in preventive health care.⁴² Broadening participation in the financial system by individuals and businesses further boosts economic growth. Yet older persons face distinct challenges in gaining access to and utilizing financial services and products.⁴³

24. In 2014, 62 per cent of adults worldwide had an account at a bank or other financial institution or with a mobile money-service provider.⁴⁴ This represents an increase of 11 per cent since 2011, but indicates that 2 billion adults remain unbanked. In addition, 7 per cent fewer women than men have an account. Although there is limited comparable data specific to older persons' access to and use of financial services, existing evidence points to common barriers faced by older persons. In many countries, older persons lack financial literacy and awareness of how they can benefit from financial services. This situation may also apply to younger persons, such that planning for financial security in old age does not begin early in life. Moreover, trust in financial institutions may be low, particularly when it comes to micropensions for low-income people, who may lack confidence that their savings will in fact be accessible when they reach old age. Poor financial infrastructure often further hinders access to services, particularly for older persons with limited mobility and in rural areas.

³⁹ Available at www.oecd.org/els/emp/Ageing-Recommendation.pdf. Accessed on 20 June 2017.

⁴⁰ UNDP, *Human Development Report 2014, Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience* (New York, 2014).

⁴¹ World Bank, *Live Long and Prosper: Aging in East Asia and Pacific* (Washington, D.C., 2016).

⁴² Adolfo Barajas, Martin Čihák and Ratna Sahay, "A broader reach", *Finance and Development*, vol. 54, No. 1 (March 2017).

⁴³ HelpAge International and the Center for Financial Inclusion, *Aging and Financial Inclusion: An Opportunity* (2015).

⁴⁴ Asli Demirgüç-Kunt and others, "Global Findex database 2014: measuring financial inclusion around the world", Policy Research Working Paper, No. 7255 (World Bank, Washington, D.C., April 2015). Available from <http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf#page=3>.

25. Age discrimination and exploitation are additional impediments to older persons' use of financial services and their financial security. Legal protection of equality and non-discrimination on the basis of age remains lacking. Many older persons are otherwise denied access to credit by financial service providers or moneylenders because of ageist assumptions that older persons are unable to generate the income needed to repay loans. One study conducted in Europe found widespread discrimination in access to mortgages, loans and insurance.⁴⁵ Some banks restrict access to long-term loans and mortgages by persons above a certain age threshold, while insurance companies often provide limited coverage to persons above a certain age and require high surcharges and penalties from them, in some cases not even permitting older persons to buy certain policies. These practices may increase older persons' vulnerability to, for instance, inadequate housing and health insurance. In developing countries, older persons have also frequently been denied small business loans and microfinance services owing to their age. Across countries, ageist attitudes on the part of service providers may further impede older persons' use of services. The increased risk of reduced physical and mental capacity that accompanies advancing age also has important implications for many older persons' use of financial services. Such reduced capacity puts affected older persons at greater risk of financial abuse, including theft, being denied access to funds, or misuse of a power of attorney.

26. Some Governments and financial service providers, particularly in developed countries, are employing a range of age-friendly measures to facilitate older persons' financial inclusion and security. Laws and policies are gradually being put in place and strengthened to protect older persons from financial exploitation, with training provided to staff of private financial institutions to identify and prevent such abuse. Private micropensions are facilitating long-term saving for pensions for those with very low incomes and convenient points of service are also being set up to support voluntary contributions to contributory public pension systems. Banks are putting in place age-friendly features and services, including voice-enabled automatic teller machines for people with visual impairment and voice recognition to eliminate the need to recall passwords for persons with dementia, assistance with online account access and financial advice and services adapted to the diverse experiences of old age. Some Governments and organizations are additionally encouraging the habit of long-term saving to the extent possible throughout the life course.

B. Health status and access to quality and affordable health care

27. Although poverty and vulnerability are often measured or assessed in terms of income or wealth, they may encompass or be influenced by other factors. Health is fundamentally linked to common experiences of poverty; in fact, poverty and poor health tend to accompany each other. Poor health is often an outcome of income poverty or vulnerability, brought about by the lack of means with which to obtain or sustain adequate nutrition and to have access to clean water, sanitation and preventive, curative and rehabilitative health care and by living or working in environments that are unclean and physically or environmentally unsafe. Limited access to quality education and information and a lack of voice, which may also be viewed as aspects of poverty, can reinforce unhealthy practices and barriers to social services to the detriment of health status. At the same time, poor health also often

⁴⁵ AGE Platform Europe, *Background Document for Hearing "Unblocking the Anti-Discrimination Directive" on Age Discrimination in Access to Financial Services* Brussels: AGE Platform Europe (20 March 2012). Available from www.age-platform.eu/images/stories/Background_document_anti-discrimination_directive_AGE.pdf.

leads or contributes to income poverty and vulnerability when it limits a person's productive capacity or when the costs of treating or caring for the condition(s) do not allow, or significantly restrict the ability of, that person to meet other basic needs. Older persons are particularly vulnerable to poor health and income poverty because of their declining means with which to produce income, cumulative disadvantage and certain increased health risks associated with advancing age. Those already living in poor health and in poverty are least resilient to financial, environmental, conflict-related or other shocks.

28. Most older persons will at some point experience multiple health difficulties.⁴⁶ Yet the likelihood of this occurring, its pace and severity vary significantly. Although some individuals require assistance with daily activities in their mid-60s, others remain active and independent into their 90s. On average, older persons are more likely to experience multiple chronic conditions at the same time and to have greater health-care needs than other age groups. Still, many older persons are able to maintain good functional ability and well-being despite having one or more conditions. For others, however, health problems affect their livelihoods; poor health and disability are often the primary reasons for which older persons cut back on or withdraw from work. In fact, there is no clear evidence that people experience increased longevity while in good health. Older persons' greater vulnerability to health challenges underscores the importance of having access to affordable and quality health care in order to prevent and minimize the effects of diseases and injuries without undermining economic security and dignity.

29. Diversity characterizes older persons' health status and capacities.⁴⁷ While some of this diversity is due to individuals' genetic backgrounds and to the choices that they make, much of it is determined by the natural and physical environment in which they live and by individual characteristics such as gender, race or ethnicity, education, occupation and income. Disparities in health outcomes and access are thus often associated with socioeconomic status and identity. They reflect the cumulative impact of economic and other types of disadvantage experienced by excluded groups throughout the life course. Older persons who are excluded and those in poverty experience greater exposure to health risks, more health challenges and less access to health-related services. For instance, socioeconomic status influences decline in cognitive functions, multimorbidity and frailty,⁴⁸ while chronic illness and disability is more likely to affect older women than older men.⁴⁹

30. Access to health care remains out of reach or limited for many older persons. Cost and transportation are barriers to care everywhere but are especially problematic in low- and lower-middle-income countries.⁵⁰ Older persons often lack health insurance or adequate levels of health insurance or universal coverage, and out-of-pocket health care expenses can quickly become burdensome and even push people into, or further into, poverty, particularly those without pensions or with low levels of pension benefits and income from other sources. Studies on the impact of cash transfers in Ethiopia, Mozambique, the United Republic of Tanzania and Zimbabwe show that cash transfers received by older persons are indeed used for transportation to medical facilities, fees for health-care consultations, treatment medications and health insurance, in addition to food, sanitation and other things

⁴⁶ World Health Organization (WHO), *World Report on Ageing and Health* (Geneva, 2015).

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ HelpAge International, "Health and care policy". Available from <http://www.helpage.org/what-we-do/what-we-do/health/health-policy/>.

⁵⁰ WHO, *World Report on Ageing and Health*.

that contribute to overall health and well-being.⁵¹ Women's average longer life expectancy and average greater economic insecurity make them especially vulnerable to unmet health needs and other deprivations as a result of prohibitive medical costs. Accessibility of health facilities is also a challenge for many older persons, particularly in rural and remote areas where medical centres are located at significant distances from homes and where health and transportation infrastructure and options are lacking, require fees that are unaffordable or poorly serve persons with limited mobility.

31. Healthy ageing aims to build and maintain capacity and resilience, to reverse, stop or slow the loss of capacity as it occurs and to compensate for the capacity that is lost.⁵² This approach to ageing encompasses prevention and limiting risk factors, practical means to extend good health and supportive environments to minimize and respond to declining health. With a focus on resilience, strategies to promote healthy ageing can reduce older persons' vulnerability to illness and injury and increase their capacity to prepare for and cope with other shocks.

32. Measures to promote good health can enable older people to avoid poverty or to ease its effects, while measures to address poverty are likely to support good health. Yet interventions must aim not only to provide relief from deprivation, but maintain the conditions and practices that enable good health and economic security. Some of the ways in which Governments can promote the health and resilience of older persons and also reach those most in need are the provision of universal health coverage with targeted benefits to older persons and marginalized groups; a life-course approach to public health that addresses disparities across social groups; eliciting the participation of older persons and ageing-focused civil society groups in decision-making; and strengthening cohesion across health and social services to foster comprehensive care.⁵³

Long-term care and vulnerability to poverty

33. Older persons in need of care can become vulnerable to poverty and economic insecurity as a result of out-of-pocket payments for in-home and institutional care. Vulnerability can nevertheless arise even for older persons in receipt of no-fee family care when a caregiver has to reduce his or her working hours or withdraw from the labour market and the family unit as a whole suffers. For the majority of older persons who want, or even have, access to any type of formal care services, they must utilize savings or instead "spend down" their assets to qualify for government-funded institutional or in-home services.

34. Often, different Government funding mechanisms and qualifying rules exist for social and medical in-home care services, with more burden being put on the individual to self-fund social care that supports the activities of daily living. Such out-of-pocket expenditures can have adverse financial outcomes for both the older persons themselves and, often, their families. While a limited market exists in some developed countries for self-insurance policies against possible long-term care costs in the future, the take-up rate is low and policy premiums are expensive. The policies therefore tend to be affordable only for those with extensive resources.

35. The United States Treasury Department recently explored the ability of households to finance formal care needs, in particular for older women, who live

⁵¹ Bastagli and others, *Cash transfers: what does the evidence say?*; and HelpAge International and Age International, *Cash Transfers and Older People's Access to Healthcare: A Multi-country Study in Ethiopia, Mozambique, Tanzania and Zimbabwe* (HelpAge International, London, 2017).

⁵² WHO, *World Report on Ageing and Health*.

⁵³ Ibid.

longer and spend more years in need of care assistance. They looked at various segments of the older female population and the extent to which they could finance formal long-term care out of income, non-housing liquid assets and total wealth, including housing, at different points of the income/wealth distribution. They found that disability later in life can have an enormous impact on economic security, given the limited resources many women have with which to finance formal care, to the extent that only relatively wealthy older women were able to finance long-term care over an extended period. The older the woman (80 and above), the less ability there is to pay the full cost of care. Those living on low incomes as they approach old age are unable to self-finance any type of long-term care and become reliant on what State aid is available. This is partly why a number of Member States, including Germany, Japan, the Netherlands and the Republic of Korea, have instituted mandatory public long-term care insurance schemes.⁵⁴

36. In developing countries without extensive State-provided services or funding, the example of South-East Asia is cited as best practice for finding low-cost alternative care services to ever-shrinking family care capacity. Older persons associations are developing a holistic community-care approach to support the increasing numbers of older people who are highly dependent and need help with day-to-day activities, have a limited income and lack adequate care from their families. These activities include recruiting, training and managing home-care volunteers from the community to provide personal-care assistance to older people who need it. The associations can also help pay for transportation to health stations when required and offer links to complementary services, such as those that provide assistive devices or rehabilitation. This type of model helps older persons to avoid the multiple financial and health-related vulnerabilities that lead to poverty.⁵⁵

IV. New initiatives to advance cooperation on ageing and the implementation of the Sustainable Development Goals

37. Since 2002, when the Madrid International Plan of Action on Ageing was adopted, both it and a number of General Assembly resolutions have raised awareness of the importance of age-disaggregated data for evidence-based policymaking. The Sustainable Development Goals have re-emphasized the issue and sought to refocus the efforts of Member States, the United Nations system and other stakeholders to prioritize it at all levels. As a result of a side event held during the forty-eighth session of the Statistical Commission, in March 2017, a stakeholder group was established comprising interested national statistical offices, United Nations system organizations and an international non-governmental organization on the creation of a city group on ageing and age-disaggregated data. The item will be included in the provisional agenda of the forty-ninth session of the Statistical Commission, to be held in 2018. To further this work, a workshop was held from 22 to 24 August 2017, hosted by the United Kingdom Office for National Statistics, with key stakeholders to share knowledge on the core issues of age-disaggregated data and ageing statistics — along with the Group's objectives, proposed activities, expected outcomes and membership.

38. With seed funding from the United Nations Development Account, the Department of Economic and Social Affairs is implementing a pilot project, a multiple indicator survey on ageing in sub-Saharan Africa. With the participation of the Government of Malawi, the first ever, nationally representative survey took

⁵⁴ United States Treasury Department, Office of Economic Policy, "The economic security of older women", *The Economic Security of American Households, Issue Brief Three* (January 2017).

⁵⁵ WHO, *World Report on Ageing and Health*.

place in that country in mid-2017. It will provide information on many indicators of the physical, psychological, social, economic and environmental situation of older persons. The survey sought to enhance knowledge about the situation of older persons and ageing in Malawi and its results will contribute to an evidence base that is greatly needed to facilitate policy and planning aimed at responding to the opportunities and challenges of population ageing. The national statistical office piloted the multiple indicator survey on ageing in Malawi and it is hoped that, with further funding, the survey can be replicated in Kenya, Uganda and other countries. The findings of the pilot study will validate the methodology and tools used for assessing the situation of older persons, with the possibility of prompting the launch of multi-country studies across sub-Saharan Africa.

39. An informal network of interested entities of the United Nations system has been launched by the Department of Economic and Social Affairs and the United Nations Development Programme to exchange and discuss information on ageing-related work and identify areas of cooperation and synergies; raise the profile of ageing issues; integrate ageing and older persons into the implementation of the 2030 Agenda for Sustainable Development within the context of its focus on leaving no one behind; and systematically integrate the concerns and interests of older persons into the work of the group. Current partners within that network include the United Nations Population Fund, the Office of the United Nations High Commissioner for Human Rights, the United Nations Research Institute for Social Development, the International Labour Organization, the United Nations Entity for Gender Equality and the Empowerment of Women, the World Health Organization and the Economic and Social Commission for Western Asia, with other entities likely to join in the future.

V. Conclusions and recommendations

40. As Member States and the United Nations system work on the implementation of the Sustainable Development Goals and the inclusion of largely overlooked social groups, the interlinkages among the Goals has brought about discussion and action on cross-cutting issues such as ageing. While it is true that older persons are traditionally included under the social protection debate when issues of poverty eradication are raised, acknowledgement of the multidimensional nature of poverty and the Goals has enabled greater recognition of the effects of population ageing in many other areas of the development agenda. This also implies that, in addition to taking into account the vulnerabilities of old age, the development potential of older persons must be recognized and seized upon.

41. While these issues are at the heart of the Madrid International Plan of Action on Ageing (2002), the Sustainable Development Goals have jump-started areas of cooperation between Member States and the United Nations system, for example on the issue of enhancing improved age-disaggregated data production and analysis, and inter-agency work on cross-cutting issues.

42. Member States may wish to:

(a) Take into account the multidimensional nature of older persons' vulnerability to poverty and economic insecurity, including through the promotion of good health, care and well-being, in their implementation of the Sustainable Development Goals at the national level;

(b) Support the development of improved age-disaggregated data and welcome the inclusion of the topic of ageing and age-disaggregated data in the agenda of the Statistical Commission;

(c) Continue to support the integration of issues relating to ageing and older persons into the wider development agenda in the implementation of the Goals;

(d) Continue to expand the reach of pension schemes, including social pensions, and to increase their benefits towards ensuring income security in old age;

(e) Intensify efforts to eliminate age-based and other forms of discrimination in employment, social protection and the provision of social services.